

sion of private property rights and ownership to all useful parts of the oceans and other water resources. Fortunately, the Reagan Administration rejected the Law of the Sea Treaty, which would have permanently subjected the world's ocean resources to ownership and control by a world-government body under the aegis of the United Nations. With that threat over, it is high time to seize the opportunity to allow the expansion of private property in one of its last frontiers.

## Privatize the Roads

*Walter Block*

**I**f the government demanded the sacrifice of 50,000 citizens each year, an outraged public would revolt. If a religious sect planned to immolate 523,335 in the next decade, it would be toppled. If a Manson-type cult murdered 790 people to celebrate Memorial Day, the press would demand the greatest manhunt in this country's history.

If we learned of a disease that killed 2,077 children under the age of five each year, or a nursing home that allowed 7,346 elderly people to die each year, no stone would be left unturned to combat the enemy.

If private enterprise were responsible for this butchery, a cataclysmic reaction would ensue: Congressmen would appoint investigative panels, the Justice Department would seek out antitrust violations, corporate executives would be jailed, and there would be growing cries for nationalization.

In fact, the government is indeed responsible for a real-life slaughter of these exact proportions: the toll taken on our nation's roadways. Whether at the local, state, regional, or national level, it is government that builds, runs, manages, administers, repairs, and plans the road network.

While many blame alcohol and excessive speed as causes of highway accidents, they ignore the more fundamental reason of government ownership and control. Ignoring this is like blaming a snafu in a restaurant on the fact that a poorly maintained oven went out, or that the waiter fell on a greasy floor with a loaded tray. Of course the proximate causes of customer dissatisfaction are uncooked meat or food in their laps. Yet how can these factors be blamed by themselves, while the role of the restaurant's management is ignored?

It is the restaurant manager's job to insure that the ovens are performing satisfactorily, and that the floors are properly maintained. If he fails, the blame rests on his shoulders, not on the ovens or floors. We hold responsible for the murder, the finger on the trigger, not the bullet. If unsafe conditions prevail in a private, multi-story parking lot, or in a shopping mall, the entrepreneur in question is held accountable.

Why then is there apathy to the continuing atrocity of government roads? Why is there no public outcry? Probably because most people do not see any alternative to government ownership. Just as no one "opposes" or "protests" a volcano, which is believed to be beyond the control of man, there are few who oppose governmental roadway control. But it is my contention that to virtually eliminate highway deaths we need to put ownership and control of roads into private hands, and let the entire service be guided by the free market.

The notion of a fully private market in roads, streets, and highways is likely to be rejected out of hand because people feel that government road management is inevitable. Governments have always owned roads, so any other system is unthinkable.

But there is nothing unique about transportation: the economic principles we accept as a matter of course in practically every other arena of human experience apply here too. As always, the advantage enjoyed by the market is the automatic reward and penalty system imposed by profits and

losses. When customers are pleased, they continue patronizing those merchants who have served them well. Businesses that succeed in satisfying consumers earn a profit, while entrepreneurs who fail to satisfy them are soon driven to bankruptcy.

The market process governs the production of the bulk of our consumer goods and capital equipment. This same process that brings us fountain pens, frisbees, and fishsticks can also bring us roads.

Why would a company or individual want to build a road or buy an already existing one? For the same reason as in any other business: to earn a profit. The necessary funds would be raised in a similar manner: by floating and issuance of stock, by borrowing, or from past savings of the owner. The risks would be the same: attracting customers and prospering, or failing to do so and going bankrupt. Just as private enterprise rarely gives burgers away for free, use of road space would require payment. A road enterprise would face virtually all of the same problems shared by other businesses: attracting a labor force, subcontracting, keeping customers satisfied, meeting the price of competitors, innovating, borrowing money, expanding, etc.

The road entrepreneur would have to try to contain congestion, reduce traffic accidents, and plan and design new facilities in coordination with already existing highways, as well as in conjunction with the plans of others for new expansion. He would also take over the jobs the government does now like (sometimes) filling potholes, installing road signs and guard rails, maintaining lane markings, repairing traffic signals, and so on for the myriad of "road furniture" that keeps traffic moving.

Under the present system, a road manager has nothing to lose if an accident happens and several people are killed on a government turnpike. A civil servant draws his annual salary regardless of the accident toll piled up on his domain. But if he were a private owner and he had to compete with other

road owners, sovereign consumers who care about safety would not patronize his road, and thus the owner would lose money and go bankrupt.

A common objection to private roads is the specter of having to halt every few feet and toss a coin into a tollbox. This simply would not occur on the market. Imagine a commercial golf course operating on a similar procedure: forcing the golfers to wait in line at every hole, or demanding payment every time they took a swipe at the ball. Such an enterprise would very rapidly lose customers and go broke. Private roads would create economies of scale, where it would pay entrepreneurs to buy the toll collections rights from the millions of holders, in order to rationalize the system into one in which fewer toll gates blocked the roads.

One scenario would follow the shopping center model: a single owner or builder would buy a section of territory and build roads and houses. Just as many shopping center builders maintain control over parking lots, malls, and other common areas, the entrepreneur would continue the operation of common areas such as the roads, sidewalks, etc. Tolls for residents, guests, and deliveries might be pegged at low levels, or be entirely lacking, as in modern shopping centers.

Consider a road on which traffic must continuously be moving. If it's owned by one person or company, who either built it or bought the rights of passage from the previous owners, it would be foolish for him to install dozens of toll-gates per mile. There now exists inexpensive electrical devices which can register the car or truck passing by any fixed point on the road. As the vehicle passes the check point, an electrical impulse can be transmitted to a computer that can produce one monthly bill for all roads use, and even mail it out automatically. Road payments could be facilitated in as unobtrusive a manner as utility bills are now.

It is impossible to predict the exact shape of an industry that does not exist. I am in no position to set up the blueprint

for a future private market in transport. I cannot tell how many road owners there will be, what kind of rules of the road they will set up, how much it will cost per mile, etc. I can say that a competitive market process would lead highway entrepreneurs to seek newer and better ways of providing services to their customers.

Now we come back to the question of safety. Government road managers are doing a terrible job. Consider what transpires when safety is questioned in other forms of transportation to see a corollary. When an airline experiences an accident, passengers think twice before flying that airline and typically it loses customers. Airlines with excellent safety records have discovered that the public is aware of safety and make choices based upon it. An “exploding Pinto” wouldn’t stay on a private road long, nor would reckless drivers and potholes.

I don’t know all the details of how a future free-market road system might work. But I do know that “there has to be a better way.” And it is the free market.

## The Case for a Free Market in Body Parts

*Walter Block*

**I**n days of yore, there was no “crisis” in spare body parts. Organ transplants were an utter impossibility, the stuff of science fiction. But nowadays, thanks to the magnificent discoveries and new techniques of modern medicine, it is possible to transplant hearts, livers, kidneys, corneas, and other organs. People who would have been consigned to death, or tenuous and painful lives only a few years ago, can today avail themselves of these medical miracles and lead healthy, productive lives.